

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.¹

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**NOTICE OF PROPOSED HOURLY BILLING RATE INCREASES BY PHOENIX
MANAGEMENT SERVICES, LLC, FINANCIAL ADVISOR TO THE MEDIATION TEAM**

In accordance with the *Order Imposing Additional Presumptive Standards: Rate Increases and the Retention of Expert Witnesses or other Sub-Retained Professionals* [ECF No. 7678], Phoenix Management Services, LLC (“Phoenix”), Financial Advisor to the Mediation Team, files this notice to inform the Court and the public that it intends to implement hourly billing rate increases, as detailed below.

Background

1. On August 13, 2017, the Financial Oversight and Management Board filed an application requesting entry of an order authorizing, among other things, the employment and payment of Phoenix as the Mediation Team’s financial advisor [ECF No. 1018] (the “Retention Application”). In the Retention Application, Phoenix disclosed its then current hourly rate ranges and further noted that such rates are adjusted annually. *See* Retention Application ¶¶ 29-30.

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747; and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

2. On August 21, 2017, the Court entered an order [ECF No. 1100] granting the Retention Application and approving Phoenix's retention, *nunc pro tunc* to August 4, 2017.

3. As reflected on subsequent applications for interim compensation, and notwithstanding its standard practice of adjusting rates on an annual basis, Phoenix did not increase its hourly billing rates in the Title III cases from the time of its retention through January 5, 2020. *See* ECF Nos. 2105, 2724, 3523, 4368, 5776, 7977, 9167 (summary of rates set forth on Exhibit C to each application).

4. On November 22, 2019, Phoenix filed a Notice of Proposed Hourly Billing Rate Increases [DOC No. 9302] effective January 6, 2020 as follows:

Phoenix Management Services, LLC January 6, 2020 Billing Rate Increases

		Current Hourly Rate	Proposed Hourly Rate	Percentage Increase
Brian Gleason	Senior Managing Director	\$ 650.00	\$ 682.50	5.00%
Michael Jacoby	Senior Managing Director	\$ 650.00	\$ 682.50	5.00%
Joe Nappi	Senior Managing Director	\$ 500.00	\$ 525.00	5.00%
Bayard Hollingsworth	Managing Director	\$ 450.00	\$ 472.50	5.00%
Michael Gaul	Sr. Director	\$ 450.00	\$ 472.50	5.00%
Patrick Bellot	Vice President	\$ 350.00	\$ 374.50	7.00%
Jenna Birkhold	Associate	\$ 275.00	\$ 294.25	7.00%
Sean C. Rieder	Sr. Analyst	\$ 190.00	\$ 203.30	7.00%
Dianne Lomonaco	Vice President	\$ 150.00	\$ 157.50	5.00%
Stacey Miller	Office/Billing Manager	\$ 150.00	\$ 160.50	7.00%

Proposed Rate Increases

5. Phoenix proposes to implement the following rate increases, effective February 1, 2021.

Phoenix Management Services, LLC Proposed February 1, 2021 Billing Rate Increases

		Current Hourly Rate	Proposed Hourly Rate	Percentage Increase
Brian Gleason	Senior Managing Director	\$ 682.50	\$ 715.00	4.76%
Michael Jacoby	Senior Managing Director	\$ 682.50	\$ 715.00	4.76%
Patrick Bellot	Director	\$ 374.50	\$ 390.00	4.14%
Sean C. Rieder	Sr. Analyst	\$ 203.30	\$ 210.00	3.30%
Stacey Miller	Office/Billing Manager	\$ 160.50	\$ 168.00	4.67%

Phoenix does not anticipate seeking further rate increases during calendar year 2021.

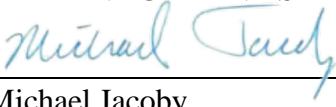
6. As indicated on **Exhibit A** hereto, the Mediation Team Leader, Judge Barbara J. Houser, has provided written approval of the foregoing rate increases on a timekeeper-by-timekeeper basis.

7. Phoenix reserves the right to implement future hourly rate increases, subject to the consent of the Mediation Team Leader and notice filed on the docket in the Title III Cases.

Dated: January 11, 2021

Respectfully submitted,

PHOENIX MANAGEMENT SERVICES, LLC

By: 

Michael Jacoby
110 Commons Court
Chadds Ford, PA 19317-9716
Telephone: 484 841-6808
Email: mjacoby@phoenixmanagement.com

EXHIBIT A

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.¹

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**VERIFIED CERTIFICATION OF MICHAEL JACOBY REGARDING
PROPOSED HOURLY BILLING RATE INCREASES OF
PHOENIX MANAGEMENT SERVICES, LLC**

I, Michael Jacoby, hereby certify the following:

1. I am a Senior Managing Director in the firm of Phoenix Management Services, LLC

(“Phoenix”).

2. I am one of the lead professionals from Phoenix advising the Mediation Team in

connection with the above-captioned Title III Cases and related proceedings. I am authorized to submit this certification in support of Phoenix’s proposed hourly billing rate increases. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747; and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

3. Effective February 1, 2021, Phoenix intends to increase its hourly billing rates as follows:

Phoenix Management Services, LLC Proposed February 1, 2021 Billing Rate Increases

		Current Hourly Rate	Proposed Hourly Rate	Percentage Increase
Brian Gleason	Senior Managing Director	\$ 682.50	\$ 715.00	4.76%
Michael Jacoby	Senior Managing Director	\$ 682.50	\$ 715.00	4.76%
Patrick Bellot	Director	\$ 374.50	\$ 390.00	4.14%
Sean C. Rieder	Sr. Analyst	\$ 203.30	\$ 210.00	3.30%
Stacey Miller	Office/Billing Manager	\$ 160.50	\$ 168.00	4.67%

I do not anticipate that Phoenix will seek further rate increases during calendar year 2021.

4. I have obtained the express written permission of the Mediation Team Leader, Judge Barbara J. Houser, for the rate increases set forth above, on a timekeeper-by-timekeeper basis.

I certify under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief formed after reasonable inquiry.

Executed on January 11, 2021.



Michael Jacoby